Message Text

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INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 TRSE-00 /033 W

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FM AMEMBASSY BONN
TO SECSTATE WASHDC PRIORITY 7471
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AMEMBASSY BRUSSELS

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BRUSSELS FOR FAA

E.O. 11652: N/A
TAGS: EAIR, WB, GW
SUBJECT: CIVAIR: AEROAMERICA GENERAL MANAGER AND
CHIEF PILOT RESIGN

REF: BONN 4134

1. RUDY HAHN, GENERAL MANAGER OF AEROAMERICA IN BERLIN, VISITED EMBASSY CIVAIRATT APRIL 15 TO REPORT THAT HE WAS RESIGNING FROM AEROAMERICA AND HIS REASONS FOR SO DOING. HE PRESENTED COPIES OF TELEXS BETWEEN THE BERLIN OFFICE AND THE SEATTLE HEADQUARTERS OF AEROAMERICA TO DOCUMENT HIS REMARKS. ONE TELEX IS FROM BERLIN AND OBJECTS TO A SEATTLE INSTRUCTION FOR TRANSFER OF FUNDS FROM BERLIN TO SEATTLE BECAUSE THE MONEY WAS NEEDED TO MEET OBLIGATIONS OF THE BERLIN LIMITED OFFICIAL USE

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OPERATION. THE OTHER IS FROM JUNE EISENBERG, DESCRIBED AS OWNER, SECRETARY OF AEROAMERICA, INFORMING THE BERLIN OFFICE THAT THEIR AUTHORIZATION TO DRAW CHECKS ON A BERLIN BANK HAD BEEN CANCELLED PENDING THE ARRIVAL IN BERLIN OF AEROAMERICA VICE PRESIDENT FOR FINANCIAL MATTERS NEESE. NEESE WAS TO EXAMINE THE ACCOUNTS OF THE BERLIN OFFICE WITH A VIEW TO BRINGING

THE "BERLIN SITUATION INTO LINE WITH THE OVER-ALL ECONOMIC POLICY OF AEROAMERICA. THE MESSAGE ALSO SAYS THAT "IT IS OUR INTENTION TO KEEP CREDIT RELATIONS IN BERLIN IN ORDERLY FASHION. HOWEVER, THE ENTIRE HEALTH OF THE COMPANY MUST BE TAKEN INTO ACCOUNT." NEESE SUBSEQUENTLY CAME TO BERLIN AND ARRANGED TO TRANSFER THE FINANCIAL FUNCTION FOR THE BERLIN OPERATIONS TO SEATTLE.

- 2. HAHN INDICATED THAT HE WAS RESIGNING BECAUSE
 HE COULD NOT WORK WITH THIS ARRANGEMENT. HE CONSIDERS
 THAT, IF HE DOES NOT HAVE AUTHORITY TO CONTROL EXPENDITURES, AEROAMERICA SEATTLE CANNOT BE RELIED UPON TO
 MEET ITS OBLIGATIONS IN BERLIN. EXPENDITURES ARE
 ESPECIALLY HIGH NOW AT THE BEGINNING OF THE SUMMER SEASON, AND HAHN IS UNWILLING TO UNDERTAKE THESE OBLIGATIONS WITHOUT AN ASSURANCE HE WILL BE ABLE TO MEET
 THEM. HAHN SAID AEROAMERICA'S CHIEF PILOT, CAPTAIN
 DIANA HAD ALSO RESIGNED, LESS THAN A YEAR AFTER THE
 RESIGNATION OF HIS PREDECESSOR. ACCORDING TO HAHN,
 BOTH RESIGNATIONS WERE BECAUSE OF THE FEELINGS ON THE
 PART OF THE CHIEF PILOTS THAT THE COMPANY WAS BEING
 MISMANAGED.
- 3. COMMENT: THIS LATEST EPISODE IN THE CONTINUING CRISIS OF AEROAMERICA IS A CAUSE FOR SOME CONCERN. THE FACT THAT PAYING OF BILLS WILL NOW TAKE PLACE IN SEATTLE DOES NOT NECESSARILY MEAN THAT BILLS WILL NOT BE PAID. HOWEVER, IF THE ACCOUNTS OF AEROAMERICA BERLIN PERSONNEL OF PREVIOUS ATTEMPTS BY SEATTLE TO LIMITED OFFICIAL USE

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TRANSFER NEEDED FUNDS FROM BERLIN FOR OTHER AEROAMERICA PURPOSES ARE VALID, IT IS DISTURBING THAT THE BERLIN OFFICE WILL NO LONGER BE IN A POSITION TO BLOCK SUCH TRANSFERS. WE INTEND TO WRITE TO AEROAMERICA PRESIDENT JOEL EISENBERG TO EXPRESS OUR CONCERN AND ASK FOR ASSURANCES THAT THE BERLIN OPERATION WILL NOT BE TAPPED EXCESSIVELY FOR AEROAMERICA'S OTHER OPERATIONS.

4. IT WOULD BE USEFUL IF FAA COULD EXERT SOME MONITOR-ING OF HOW AEROAMERICA IS KEEPING UP WITH THE OBLIGATIONS OF ITS BERLIN OPERATION. WE HAVE CHECKED INFORMALLY WITH AN OFFICER FROM FAA BRUSSELS AND UNDERSTAND THERE IS LITTLE FAA CAN DO ABOUT HOW AEROAMERICA HANDLES ITS FUNDS, BUT HOPE THE QUESTION CAN BE EXPLORED FURTHER.

ACTION REQUESTED: DEPARTMENT IS REQUESTED TO EXPLORE WITH FAA POSSIBILITY OF MONITORING AEROAMERICA'S BILL-PAYING IN SOME WAY.

	Margaret P. Grafeld	Declassified/Released	US Department of State	EO Systematic Review	22 May 2009
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Message Attributes

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